

# The Gazette of India

## EXTRAORDINARY PART I—Section 1 PUBLISHED BY AUTHORITY

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No. 70] NEW DELHI, SATURDAY, JULY 12, 1958/ASADHA 21, 1880

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### MINISTRY OF COMMERCE & INDUSTRY

#### PUBLIC NOTICE

#### IMPORT TRADE CONTROL

New Delhi, the 12th July 1958

**SUBJECT:**—*Import of tobacco from U.S.A. under the Agricultural Commodities Agreement between the U.S.A. and India under U.S. Title I of the Agricultural Trade Development and Assistance Act of 1954 as amended (U.S. P.L. 480).*

**No. 60-ITC(FN)/58.**—Attention of the importers is invited to Ministry of Commerce & Industry Public Notice No. 52-ITC(PN)/57 dated the 20th July, 1957, setting out the general procedure applicable to imports of unmanufactured tobacco from U.S.A. under the Agricultural Commodities Agreement between the U.S.A. and India. The procedure outlined in Public Notice No. 52-ITC(PN)/57, dated the 20th July, 1957, with necessary modifications will be applicable to imports of unmanufactured tobacco from U.S.A. against fresh Purchase Authorisation No. PA-39-14, dated the 10th June, 1958, issued by the U.S. Government.

2. A fresh Purchase Authorisation No. PA-39-14, dated the 10th June, 1958 (Annexure I) has been issued by the U.S. Government for 1,200 metric tons of unmanufactured tobacco of 1958 crop or earlier crops for the amount of \$ 2,737,450. As specified in this Purchase Authorisation, the contracting period will be from the 17th June, 1958, to the 30th May, 1959, and the delivery period will be from the 17th June, 1958, to the 30th June, 1959. The conditions specified in this Purchase Authorisation are reproduced in Annexure I to this Public Notice. The importers should fully familiarise themselves with all the regulations and provisions of Purchase Authorisation No. PA-39-14 and should ensure by informing their suppliers in U.S.A. that none of the regulations governing the sale of unmanufactured tobacco issued by the U.S. Department of Agriculture are violated.

3. Against the aforesaid Purchase Authorisation, the Government of India will issue import permits (hereinafter referred to as sub-authorisations) in the form reproduced in Annexure II which will be governed by the conditions reproduced in Annexure III. Any further conditions that may become necessary to govern the said imports will be published from time to time.

4. Importers will be permitted to purchase tobacco covered by the above sub-authorisation from the open market in the U.S.A.

5. The price must specifically be stated in the contracts entered into by importers in India with suppliers in the U.S.A.

6. Applications will be entertained for import unmanufactured tobacco of 1958 crop or earlier crops from U.S.A. required for cigarette manufacture, pipe tobacco and cigar wrapper tobacco from Actual Users only. Such applications

shall be made by registered posts with acknowledgement due to C.C.I. & E., New Delhi, in the usual way giving the following information:—

- |                              |                         |
|------------------------------|-------------------------|
| (a) <i>Importer's grades</i> | <i>Quantity in lbs.</i> |
| 1. ....                      | 1. ....                 |
| 2. ....                      | 2. ....                 |
- (b) C.I.F. price of the goods in dollars and approximate rupee equivalent.  
 (c) Ports of entry in India.  
 (d) Name and address of the importer's Bank in India.

Every application should be accompanied by a Bank guarantee in the following form:—

"We hereby guarantee that in respect of tobacco imported under the sub-authorisation granted in terms of this application, the rupee equivalent of the net dollar disbursement made by the U.S. Bank under the Letters of Credit established against the Letter of Commitment issued by the Commodity Credit Corporation at the rate of exchange indicated in U.S. dollar rate list issued by the State Bank of India, Foreign Department, Calcutta, on the date of the dollar disbursement by U.S. Bank, will be deposited into the U.S. Embassy Title Account in the State Bank of India, New Delhi, immediately on receipt of the shipping documents."

7. As soon as the rupee equivalent of the net dollar disbursement is deposited into the U.S. Title Account, the Importer's Bank in India must inform the C.C.I. & E., New Delhi accordingly, enclosing the receipts from the State Bank therefor and indicating other information as follows:—

- (i) Name of the importer.
- (ii) Purchase Authorisation number.
- (iii) Letter of Credit number.
- (iv) Sub-authorisation number.
- (v) Name of the vessel.
- (vi) Quantity of unmanufactured tobacco covered by the dollar disbursement.
- (vii) Dollar amount disbursed by U.S. Bank.
- (viii) Date of dollar disbursement by U.S. Bank.
- (ix) Exchange rate current on the date of dollar disbursement, as notified by the State Bank of India, Foreign Department, Calcutta.
- (x) Rupee equivalent of the dollar disbursement calculated at the rate of exchange current on the date of dollar disbursement as notified by the State Bank of India, Foreign Department, Calcutta.
- (xi) Amount of rupees deposited.
- (xii) Date of deposit.

This information should also be repeated to the Disbursing Officer, U.S. Embassy, New Delhi (in duplicate) and to the Department of Economic Affairs, Ministry of Finance, New Delhi (one copy). It will be the sole responsibility of the importers and/or their bankers in India to deposit the correct rupee amount into the U.S. Title Account. The C.C.I. & E. may thereafter release the bank guarantee.

8. As soon as a sub-authorisation is issued the importer should request his bank in India referred to in the sub-authorisation through the C.C.I. & E., New Delhi, to arrange for the issuance of a Letter of Credit on the "U.S. Bank" referred to in the said sub-authorisation. The name of U.S. designated bank will be announced to the trade later. The C.C.I. & E., New Delhi, will then inform the said U.S. Bank of the names of the Importer's Bank in India authorised to open letter of credit against each sub-authorisation, indicating at the same time:—

- (i) Purchase Authorisation No.
- (ii) Sub-Authorisation No.
- (iii) Amount in dollars, etc.

Cabic charges will be recovered from the Importer. Importer's Bank in India will then arrange with the designated U.S. Bank for the establishment of letters of credit in favour of the suppliers concerned within the amount allocated.

9. The shipping documents will, as usual, be sent by the "U.S. Bank" to the "Bank in India". The "Bank in India" will credit the rupee equivalent of the net dollar disbursements made by the U.S. Bank under the letters of credit established against a letter of commitment issued by the Commodity Credit Corporation at the rate of exchange prevalent on the date of dollar disbursement by the U.S. Bank into the U.S. Embassy Title Account in the State Bank of India, New Delhi. This rate of exchange will be the rate indicated for that date in the U.S. dollar rate lists issued by the State Bank of India, Foreign Department, Calcutta, which are circulated to all offices of the Bank.

10. In the event of a complaint by the Importer, the importer should send to the C.C.I. & E., New Delhi, Agricultural Attache, U.S. Embassy, New Delhi, and Economic Affairs Department, Ministry of Finance, New Delhi, a copy each of the impartial controller's report or arbitrator's report, if any, and the debit note in respect of the claims for damage or deficiency. Claims shall be settled by payment in U.S. dollars, the payment being remitted by the supplier to the concerned bank in India of the importer for the account of the importer. This bank is to be named by the importer on his notice of claim. Immediately upon settlement of claim for damage and deficiency in quality and weight, the importer should notify the C.C.I. & E., New Delhi of the details. *It is imperative that importers should receive the dollar claims in India and should in no case arrange for their being credited to their accounts with the suppliers.*

11. The issue of sub-authorisations will be stopped immediately the monetary ceiling allocated for this purpose is reached.

ANNEXURE I TO PUBLIC NOTICE No. 60-ITC(PN)/58, DATED THE 12TH JULY, 1958.

AUTHORISATION No. 39-14 TOBACCO

COUNTRY: INDIA

*Special provisions:*

1. *Quantity and Specifications.*—Approximately 1,200 metric tons (but not limited to that quantity) of unmanufactured tobacco produced in the continental United States and/or Puerto Rico in 1958 and/or prior crop years.

2. *Source of Supply.*—The tobacco to be exported must have been produced in the continental United States and/or Puerto Rico in 1958 and/or prior crop years. It will not be necessary that the tobacco to be exported be obtained from Commodity Credit Corporation (hereinafter referred to as CCC) loan stocks.

3. *Delivery.*—To importer, c. & f. or c.i.f. Indian ports with shipment from U.S. ports, on or after 7 calendar days after the date of issuance of this authorization, but not later than June 30, 1959. Delivery f.a.s. vessels, U.S. ports, may also be made during such period. Ocean transportation will be financed by CCC only on c. & f. or c.i.f. sales and only to the extent specified in section 8 of these Special Provisions.

4. *Contracting.*—Only contracts entered into between importers and suppliers on or after 7 calendar days after the date of issuance of this authorization and on or before May 30, 1959, will be eligible for financing hereunder. The accepting Government shall instruct its importers to contract for the purchase of the tobacco hereunder on the basis that:

- (a) In requesting offers, the importer shall not preclude exporters from offering the commodity for shipment from any U.S. port(s). This requirement shall not preclude the importer from accepting offers on the basis of shipment from U.S. port(s) which result in the lowest total landed cost of the commodity.
- (b) Payment shall be made under irrevocable letter(s) of credit issued, confirmed or advised by banking institution(s) in the United States.
- (c) If the importer procures the tobacco through an affiliate of the importer, the amount to be financed hereunder (subject to section 11.11 and other provisions of the Regulations) shall be the initial

purchase price from the U.S. source plus actual or average costs of any processing and handling of such tobacco to point of delivery incurred by such affiliate and in the case of a separately incorporated affiliate any markup regularly charged by such affiliate. CCC shall have the right to require the affiliate to substantiate such costs and markup and shall have the right to audit the books and records pertaining thereto.

- (d) As used herein an "affiliate" shall mean (1) a U.S. branch office of the importer, (2) a Corporation which owns or controls the importer, (3) a Corporation which is owned or controlled by the importer, or (4) a Corporation which is owned or controlled by the same corporation which owns or controls the importer.
- (e) On c. & f. or c.i.f. sales, except where the shipment is required by USDA to be made on a U.S. flag vessel, the cost of ocean transportation shall be deducted by the supplier from his invoice price to be financed by CCC and settled separately between the supplier and the importer or the commodity shipped freight collect.
- (f) On c. & f. or c.i.f. shipments where ocean freight is financed by CCC, if the contract provides for price adjustment to cover the shipment of the commodity *via* optional routes, the discharge of the commodity at optional ports, or for any other option arising from ocean transportation, the initial financing by CCC will be at the lowest contract price. Any additional amount of ocean freight due the supplier, after settlement of ocean freight with the ocean carrier, will be financed by CCC upon presentation of the documents required by section 11.9(a)(7) of the Regulations, and the ocean carrier's certification as to the actual route, the actual discharge port or ports, or with respect to the exercise of any other option provided for in the contract.

(g) All contracts shall refer to this authorization.

5. *Adjustment Refunds.*—All claims by importers for adjustment refunds will be handled in accordance with Paragraph 11.4(d)(5)(i) of the Regulations. The accepting Government shall arrange for payment to CCC in U.S. dollars at the end of each calendar quarter of such amounts.

6. *Documentation.*—The following documentation will be required for reimbursement:—

- (a) The documentation specified in section 11.9(a) of the Regulations.
- (b) In addition to the information required by section 11.9(a)(3) of the Regulations to be shown on the supplier's detailed invoice, such invoice shall show:—
  - (i) U.S. type and crop year of the tobacco and a recapitulation of the quantity and value of the tobacco by type and crop year. The information to be shown *only one copy of the detailed invoice* and this copy to be included with the documents submitted to CCC by the U.S. banking institution.
- (ii) The supplier's detailed invoice shall contain the following certification signed by the supplier:
 

"The undersigned hereby certifies that the importer's request pursuant to which the commodity covered by this contract was offered did not preclude such offer from being made for shipment from any U.S. port(s)".
- (iii) In the case of procurement by importers through other than affiliates; the following certification stamped or typed on the invoice, and executed by the supplier:
 

"I hereby certify that the tobacco represented on this invoice was produced in the continental United States and/or Puerto Rico in 1958 and/or prior crop years. I further certify that the supplier is not an affiliate of the importer".
- (iv) In the case of procurement by importers through an affiliate, the actual or season grade average initial purchase price paid by the supplier in purchasing from U.S. source, the actual or average cost of any processing and handling of such tobacco to U.S. seaboard and in the case of a separately incorporated affiliate any markup regularly charged by

such affiliate. (This information may be furnished in a separate signed statement submitted to CCC). The following certification must be stamped or typed on the invoice and executed by the supplier:

"I hereby certify that the tobacco represented on this invoice was produced in the continental United States and/or Puerto Rico in 1958 and/or prior crop years. I further certify that the amounts itemized hereon are not in excess of amounts actually paid or regularly charged for such items".

7. *Deposit of Local Currency.*—The accepting Government shall arrange for the deposit with the United States Disbursing Officer, United States Embassy, New Delhi, India, of an amount of Indian rupees equivalent to dollar disbursements by United States banking institutions or by CCC, at the rate of exchange for U.S. dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the date of each such dollar disbursement in accordance with section 11.4(d)(10) of the Regulations.

8. *Ocean Transportation.*—Unless otherwise authorized by the Director, Transportation and Storage Services Division, Commodity Stabilization Service, United States Department of Agriculture, Washington 25, D.C., at least 50 percent of the dry cargo liner tonnage, if any, and at least 50 percent of dry bulk carrier tonnage, if any, of the tobacco purchased hereunder, will be required to be shipped on privately owned United States flag commercial vessels. Advance approval of charters and bookings must be obtained. This may be done by telephone (Republic 7—4142, extension 4314) or by telegram provided CCC Form 105 confirming the information supplied by telephone or telegram, is furnished promptly. CCC Form 106, "Advice of Vessel Approval", will be issued by USDA for each vessel approved and will indicate whether or not the cost of ocean transportation thereon will be financed. Subject to compliance with this section and the other requirements of the Regulations and this authorization, the net invoice price of that portion of the tobacco shipped on privately owned U.S. flag commercial vessels which is required by the Director to be used, will be financed by CCC under this authorization. The net invoice price of that portion of the tobacco shipped on U.S. flag vessels owned by the U.S. Government and baro-boated to private operators will also be financed by CCC under this authorization if the Director approves such vessel and if such approval is granted prior to the time that the total U.S. flag vessel approved tonnage equals 50 per cent of the total tonnage stated in section 1 of this authorization. In the case of the tobacco not so required or approved by the Director to be shipped on such vessels, the cost of ocean transportation of c. & f. or c.i.f. sales must be deducted from the supplier's invoice price to be financed by CCC and settled separately between the supplier and the importer or the tobacco shipped freight collect. Ocean transportation will not be financed on tobacco sold f.a.s. vessel.

9. *CSS Office.*—The CSS Office which will administer this financing operation on behalf of CCC is:

Fiscal Division  
Commodity Stabilization Service  
U.S. Department of Agriculture  
Washington 25, D.C.

ANNEXURE II TO PUBLIC NOTICE NO. 60-ITC(PN)/58, DATED THE 12TH JULY, 1958

Sub-authorisation No. ....

GOVERNMENT OF INDIA

(IMPORT TRADE CONTROL)

IMPORT PERMIT

(Tobacco Imports from U.S.A.)

Issued under the provisions of Imports and Exports (Control) Act, 1947, as amended from time to time and without prejudice to the application of any other prohibition or regulation affecting the importation of tobacco which may be in force at the time of its arrival.

The Government of India are pleased to permit

Messrs. ....  
Address. ....  
Income tax verification No. ....

to import tobacco subject to the conditions prescribed in Ministry of Commerce & Industry Public Notice No. 60-ITC(PN)/58, dated 12th July, 1958

and any other condition that may further be prescribed in this behalf by the Government of India from time to time through Official Gazette.

Description of Commodity.	.....
Importer's grades of tobacco.	Approximate Quantity in lbs.
(i) .....	(i) .....
(ii) .....	(ii) .....
Source U.S.A.	
Contracting period from.....	ending.....
Delivery period from.....	ending.....
(period of shipment).	
Amount of Dollars sub-authorised: U.S. Dollars.....	Rupee equivalent: Rs.....
Banking Institution to handle financing:	
	Bank in India.....
	U.S. Bank.....
Basis of Delivery.....	
Ports of entry into India.....	

for Chief Controller of Imports & Exports.

#### ANNEXURE III TO PUBLIC NOTICE No. 60-ITC(PN)/58, DATED THE 12TH JULY, 1958

1. *General.*—(a) For imports under this programme the sub-authorisation will be issued in duplicate, one for customs and the other for the rupee payments.

(b) The sub-authorisation is not transferable except with the permission of Chief Controller of Imports and Exports or a person duly authorised by him.

(c) Any unauthorised alteration or erasure in this permit shall render it null and void.

(d) No remittance of foreign exchange is to be made against the sub-authorisation except to the extent specified in para. 2(e)(ii) below but the importer is required to deposit the Rupees as specified in the notice.

(e) The Chief Controller of Imports and Exports may supplement, modify or revoke the sub-authorisation at any time under special consideration.

2. *Contract with Suppliers (Exporters).*—(a) The contract shall be entered into only during the period specified in the sub-authorisation.

(b) The shipment shall take place during the period specified in the sub-authorisation.

(c) The importer should inform the supplier that the transactions will be financed in terms of the Agricultural Commodities Agreement between the Government of the United States and the Government of India signed under the United States, Public Law 480. The importer and the supplier must strictly follow the regulations governing the sales of agricultural commodities for foreign currency issued by the U.S. Department of Agriculture. The importer should also intimate to the supplier the Purchase Authorisation No. and instruct him of the special provisions for carrying out the transaction.

(d) Within a fortnight of the expiry of the contracting period mentioned in the sub-authorisation, the importer shall report to the Chief Controller of Imports and Exports, Ministry of Commerce and Industry, New Delhi, the total value of the goods contracted for, mentioning the Serial No. of the sub-authorisation. If no report is received by the due date, it will be presumed that no contract has been entered into and the sub-authorisation shall be treated as cancelled.

(e) The importer must advise the supplier that at least 50 per cent. of the dry cargo liner tonnage, if any, and at least 50 per cent. of the dry bulk carrier tonnage, if any, of the tobacco contracted for must be shipped on U.S. flag vessels. The remaining 50 per cent. can be shipped on non-U.S. flag vessels. For full

instructions in this connection, please refer to the conditions specified in Purchase Authorisation (Annexure I) according to which advance approval of charters and bookings must be obtained. Further procedure may be as below:—

- (i) *Ocean Transportation by U.S. flag vessels.*—In this case the ocean transportation will be financed by Commodity Credit Corporation for C.&F. or C.I.F. contracts, as part of the commodity unit cost therein under the export letter of credit. The approval obtained by the supplier for vessel booking will state the amount of ocean freight differential, if any, which the Commodity Credit Corporation will recognize and absorb as existing between the prevailing foreign flag vessel rate and U.S. flag vessel rate. The amount of such a differential will be paid separately to the suppliers by the Commodity Credit Corporation and such amount must not, therefore, be included in the suppliers net invoice price to be financed under the export letter of credit. The deposit into the U.S. Title Account by the Importer's Bank in India will be the rupee equivalent of the net c. & f. or c.i.f. dollar cost which will be paid by the U.S. banks under the Export letter of credit.
- (ii) *Ocean Transportation by non-U.S. flag vessels.*—It is for the importer to arrange with the supplier the type of the contract he desires. The payment for the freight on such transportation will not be made by the Commodity Credit Corporation under the export letter of credit but the importer will have to bear the ocean freight himself. The necessary foreign exchange will be made available to importers for such payment. Where ocean transportation is covered by the commodity unit price as in the case of c. & f. and c.i.f. contracts, a deduction for ocean transportation is to be shown on the supplier's detailed invoice covering the commodity shipped on such vessel. The deposit in the U.S. Title Account by the importer's bank in India will be the rupee equivalent of the net dollar cost (excluding the ocean freight) which will be paid by the U.S. banks to the suppliers under the export letter of credit.

(f) The importer shall advise the shipper to airmail at the time of loading two copies or photostats of the ocean or charter party bill of lading or airway bill to the Chief Controller of Imports & Exports, Ministry of Commerce & Industry, New Delhi.

(g) The contract with the supplier should provide that payment shall be by cash against sight draft supported by necessary documents on a banking institution, indicated in the sub-authorisation, in the United States.

(h) Other conditions will be as specified in Purchase Authorisation (Annexure I).

3. *Purchase Price.*—The purchase in U.S.A. can be made freely at the prevailing U.S. market price.

S. N. BILGRAMI, Jt. Secy.

